

House File 107

HOUSE FILE _____
BY SWAIM and ANDERSON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act increasing the minimum amount of money necessary to prove
2 financial responsibility for liability for motor vehicle
3 accidents.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1523HH 82
6 av/gg/14

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1 1 Section 1. Section 321A.1, subsection 11, Code 2007, is
1 2 amended to read as follows:
1 3 11. PROOF OF FINANCIAL RESPONSIBILITY. Proof of ability
1 4 to respond in damages for liability, on account of accidents
1 5 occurring subsequent to the effective date of the proof,
1 6 arising out of the ownership, maintenance, or use of a motor
1 7 vehicle, in amounts as follows: With respect to accidents
1 8 occurring on or after January 1, 1981, and prior to January 1,
1 9 1983, the amount of fifteen thousand dollars because of bodily
1 10 injury to or death of one person in any one accident, and,
1 11 subject to the limit for one person, the amount of thirty
1 12 thousand dollars because of bodily injury to or death of two
1 13 or more persons in any one accident, and the amount of ten
1 14 thousand dollars because of injury to or destruction of
1 15 property of others in any one accident; and with respect to
1 16 accidents occurring on or after January 1, 1983, and prior to
1 17 January 1, 2008, the amount of twenty thousand dollars because
1 18 of bodily injury to or death of one person in any one
1 19 accident, and, subject to the limit for one person, the amount
1 20 of forty thousand dollars because of bodily injury to or death
1 21 of two or more persons in any one accident, and the amount of
1 22 fifteen thousand dollars because of injury to or destruction
1 23 of property of others in any one accident; and with respect to
1 24 accidents occurring on or after January 1, 2008, the amount of
1 25 fifty thousand dollars because of bodily injury to or death of
1 26 one person in any one accident, and, subject to the limit for
1 27 one person, the amount of one hundred thousand dollars because
1 28 of bodily injury to or death of two or more persons in any one
1 29 accident, and the amount of fifty thousand dollars because of
1 30 injury to or destruction of property of others in any one
1 31 accident.

1 32 Sec. 2. Section 321A.5, subsection 3, unnumbered paragraph
1 33 1, Code 2007, is amended to read as follows:
1 34 A policy or bond is not effective under this section unless
1 35 issued by an insurance company or surety company authorized to
2 1 do business in this state, except that if the motor vehicle
2 2 was not registered in this state, or was a motor vehicle which
2 3 was registered elsewhere than in this state at the effective
2 4 date of the policy or bond, or the most recent renewal
2 5 thereof, the policy or bond is not effective under this
2 6 section unless the insurance company or surety company if not
2 7 authorized to do business in this state executes a power of
2 8 attorney authorizing the department to accept service on its
2 9 behalf of notice or process in any action upon the policy or
2 10 bond arising out of the accident. However, with respect to
2 11 accidents occurring on or after January 1, 1981, and before
2 12 January 1, 1983, every such policy or bond is subject, if the
2 13 accident has resulted in bodily injury or death, to a limit,
2 14 exclusive of interest and costs, of not less than fifteen
2 15 thousand dollars because of bodily injury to or death of one
2 16 person in any one accident and, subject to the limit for one
2 17 person, to a limit of not less than thirty thousand dollars
2 18 because of bodily injury to or death of two or more persons in
2 19 any one accident, and, if the accident has resulted in injury

2 20 to or destruction of property, to a limit of not less than ten
2 21 thousand dollars because of injury to or destruction of
2 22 property of others in any one accident; and with respect to
2 23 accidents occurring on or after January 1, 1983, and prior to
2 24 January 1, 2008, every such policy or bond is subject, if the
2 25 accident has resulted in bodily injury or death, to a limit,
2 26 exclusive of interest and costs, of not less than twenty
2 27 thousand dollars because of bodily injury to or death of one
2 28 person in any one accident and, subject to the limit for one
2 29 person, to a limit of not less than forty thousand dollars
2 30 because of bodily injury to or death of two or more persons in
2 31 any one accident, and, if the accident has resulted in injury
2 32 to or destruction of property, to a limit of not less than
2 33 fifteen thousand dollars because of injury to or destruction
2 34 of property of others in any one accident; and with respect to
2 35 accidents occurring on or after January 1, 2008, the amount of
3 1 fifty thousand dollars because of bodily injury to or death of
3 2 one person, in any one accident, and, subject to the limit for
3 3 one person, the amount of one hundred thousand dollars because
3 4 of bodily injury to or death of two or more persons in any one
3 5 accident, and the amount of fifty thousand dollars because of
3 6 injury to or destruction of property of others in any one
3 7 accident.

3 8 Sec. 3. Section 321A.15, subsection 1, paragraph b,
3 9 unnumbered paragraph 1, Code 2007, is amended to read as
3 10 follows:
3 11 Judgments referred to in this chapter and rendered upon
3 12 claims arising from accidents occurring on or after January 1,
3 13 1983, and prior to January 1, 2008, shall, for the purpose of
3 14 this chapter only, be deemed satisfied when the following
3 15 occur:

3 16 Sec. 4. Section 321A.15, subsection 1, Code 2007, is
3 17 amended by adding the following new paragraph:

3 18 NEW PARAGRAPH. c. Judgments referred to in this chapter
3 19 and rendered upon claims arising from accidents occurring on
3 20 or after January 1, 2008, shall, for the purpose of this
3 21 chapter only, be deemed satisfied when the following occur:

3 22 (1) When fifty thousand dollars has been credited upon any
3 23 judgment or judgments rendered in excess of that amount
3 24 because of bodily injury to or death of one person as the
3 25 result of any one accident.

3 26 (2) When, subject to the limit of fifty thousand dollars
3 27 because of bodily injury to or death of one person, the sum of
3 28 one hundred thousand dollars has been credited upon any
3 29 judgment or judgments rendered in excess of that amount
3 30 because of bodily injury to or death of two or more persons as
3 31 the result of any one accident.

3 32 (3) When fifty thousand dollars has been credited upon any
3 33 judgment or judgments rendered in excess of that amount
3 34 because of injury to or destruction of property of others as a
3 35 result of any one accident.

4 1 Sec. 5. Section 321A.21, subsection 2, paragraph b, Code
4 2 2007, is amended to read as follows:

4 3 b. Shall insure the person named in the policy and any
4 4 other person, as insured, using the motor vehicles with the
4 5 express or implied permission of the named insured, against
4 6 loss from the liability imposed by law for damages arising out
4 7 of the ownership, maintenance, or use of the motor vehicles
4 8 within the United States of America or the Dominion of Canada,
4 9 subject to limits exclusive of interest and costs, with
4 10 respect to each such motor vehicle, as follows: With respect
4 11 to all accidents which occur on or after January 1, 1981, and
4 12 before January 1, 1983, fifteen thousand dollars because of
4 13 bodily injury to or death of one person in any one accident
4 14 and, subject to said limit for one person, thirty thousand
4 15 dollars because of bodily injury to or death of two or more
4 16 persons in any one accident, and ten thousand dollars because
4 17 of injury to or destruction of property of others in any one
4 18 accident; and with respect to all accidents which occur on or
4 19 after January 1, 1983, and prior to January 1, 2008, twenty
4 20 thousand dollars because of bodily injury to or death of one
4 21 person in any one accident and, subject to said limit for one
4 22 person, forty thousand dollars because of bodily injury to or
4 23 death of two or more persons in any one accident, and fifteen
4 24 thousand dollars because of injury to or destruction of
4 25 property of others in any one accident; and with respect to
4 26 accidents occurring on or after January 1, 2008, the amount of
4 27 fifty thousand dollars because of bodily injury to or death of
4 28 one person, in any one accident, and, subject to the limit for
4 29 one person, the amount of one hundred thousand dollars because
4 30 of bodily injury to or death of two or more persons in any one

4 31 accident, and the amount of fifty thousand dollars because of
4 32 injury to or destruction of property of others in any one
4 33 accident.

4 34 EXPLANATION

4 35 This bill raises the amount necessary to show proof of
5 1 financial responsibility for liability arising out of the
5 2 ownership, maintenance, or use of a motor vehicle that occurs
5 3 on or after January 1, 2008.

5 4 Code section 321A.1 is amended to raise a showing of proof
5 5 of financial responsibility from \$20,000 to \$50,000 for
5 6 damages because of bodily injury to or death of one person in
5 7 any one accident, and subject to the limit for one person,
5 8 from \$40,000 to \$100,000 because of bodily injury to or death
5 9 of two or more persons in any one accident, and from \$15,000
5 10 to \$50,000 because of injury to or destruction of property of
5 11 others in any one accident.

5 12 Corresponding amendments are made in other sections of Code
5 13 chapter 321A.

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